SENATE BILL No. 5

Introduced by Senators Sher and Burton

January 17, 2001

An act relating to public utilities, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 5, as introduced, Sher. Public utilities.

Existing law provides for the establishment and implementation of various energy efficiency programs administered by the State Energy Resources Conservation and Development Commission and the Public Utilities Commission.

This bill would appropriate $934,010,000 from the General Fund to implement energy efficiency programs and supplement existing energy efficiency programs. Of that amount, $248,010,000 would be allocated to the State Energy Resources Conservation and Development Commission and $686,000,000 would be allocated to the Public Utilities Commission to fund various energy efficiency programs, as scheduled.

The bill would declare that it is to take effect immediately as an urgency statute.

Vote: $^2/_3$. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares as follows:

(a) California is currently experiencing an energy crisis which threatens to adversely affect the economic and environmental well-being of the state.

(b) One of the most cost-effective, efficient, and environmentally beneficial methods of meeting the state's energy needs is to encourage the efficient use of energy.

(c) The purpose of the act adding this section is to ensure the immediate implementation of energy efficiency programs in order to reduce consumption of energy and to assist in reducing the costs associated with energy demand.

SEC. 2. The sum of nine hundred thirty four million ten thousand dollars ($934,010,000) is hereby appropriated from the General Fund to the Controller for allocation according to the following schedule:

(a) Two hundred forty eight million ten thousand dollars ($248,010,000) to the State Energy Resources Conservation and Development Commission, to be allocated for the following purposes:

(1) Twenty million dollars ($20,000,000) to implement the programs established pursuant to Section 25555 of the Public Resources Code in order to achieve a minimum of an additional 57 megawatts reduction in peak electricity demand.

(2) Forty million dollars ($40,000,000) to implement a distributed generation incentives program to achieve a 75 megawatt reduction in peak electricity demand.

(3) Ten million dollars ($10,000,000) to implement a demand reduction program for small commercial sector electricity customers to achieve a forty megawatt reduction in peak electricity demand. For the purposes of this paragraph, ''small commercial sector electricity customer'' means a commercial electric utility customer that uses less than 20 kilowatts.

(4) Ten million dollars ($10,000,000) to implement an agriculture and irrigation district demand reduction program to achieve a 50 megawatt reduction in peak electricity demand through actions such as the replacement of inefficient irrigation pumps and the shifting of electricity consumption activities to off-peak hours.

(5) Thirteen million dollars ($13,000,000) to achieve a 60 megawatt reduction in peak electricity demand through the implementation of programs to improve demand responsiveness

in heating, ventilation, air conditioning, and lighting, and through advanced metering of energy usage. Funds appropriated pursuant to this paragraph may be used to implement paragraphs (1) and (2) of subdivision (a) of Section 25555 of the Public Resources Code.

(6) Fifty million dollars ($50,000,000) to achieve a 150 megawatt reduction in peak electricity demand through the implementation of a low-energy usage building materials program in schools, colleges and universities, and other nonresidential buildings.

(7) Ten million dollars ($10,000,000) to achieve an additional 10 megawatts reduction in peak electricity demand through additional implementation of subparagraph (E) of paragraph (2) of subdivision (a) of Section 25555 of the Public Resources Code.

(8) Fifty million dollars ($50,000,000) to achieve a 120 megawatt reduction in peak electricity demand through the implementation of an incentive program for water and waste water peak usage reduction.

(9) Three million dollars ($3,000,000) to achieve a 15 megawatt reduction in peak electricity demand through the implementation of a load management program in state buildings and facilities.

(10) Forty million dollars ($40,000,000) to achieve a 100 megawatt reduction in peak electricity demand through innovative programs and proposals ineligible for funding pursuant to Section 25555 of the Public Resources Code.

(11) One million four hundred thousand dollars ($1,400,000) to fund 16 personnel years in the State Energy Resources Conservation and Development Commission to implement subdivision (a) of this section.

(12) Six hundred and ten thousand dollars ($610,000) for four personnel years to improve the ability of the State Energy Resources Conservation and Development Commission to provide timely and accurate assessments of electricity and natural gas markets.

(b) Six hundred eighty six million dollars ($686,000,000) to the Public Utilities Commission to be allocated for the following purposes:

(1) Sixty million dollars ($60,000,000) to increase and extend CARE discounts to low-income persons not currently eligible for the CARE program.

(2) Sixty million dollars ($60,000,000) to augment funding for low-income weatherization programs to assist in reducing energy costs to low-income persons.

(3) Fifty million dollars ($50,000,000) to achieve a 125 megawatt reduction in peak electricity demand through a program which encourages the purchase of high-efficiency air conditioning equipment in residential homes.

(4) Twenty five million dollars ($25,000,000) to achieve a 60 megawatt reduction in peak electricity demand through incentives to stock and purchase high efficiency appliances.

(5) Ten million dollars ($10,000,000) to achieve a 30 megawatt reduction in peak electricity demand through incentives to better size water and waste water pumps.

(6) Eight million dollars ($8,000,000) to achieve a 40 megawatt reduction in peak electricity demand through the provision of incentives to residential homeowners to install whole-house fans.

(7) Fifteen million dollars ($15,000,000) to achieve a 20 megawatt reduction in peak electricity demand through a program to provide education to commercial building managers on measures to reduce load during periods of peak demand.

(8) Ten million dollars ($10,000,000) to achieve a five megawatt reduction in peak electricity demand through thermal energy storage in the business and commercial sector.

(9) Twenty million dollars ($20,000,000) to achieve a peak demand reduction of 20 megawatts through high-efficiency pumping projects with large motor and pump loads.

(10) Twenty eight million dollars ($28,000,000) to achieve a 40 megawatt peak electricity demand reduction through the installation of connected thermostats for heating, ventilation, and air conditioning control in the commercial sector.

(11) Forty million dollars ($40,000,000) to achieve an 11 megawatt peak electricity demand reduction through the provision of incentives to residential and small business customers for small renewable systems incentives by financing up to 45 percent of the installed cost of primarily solar small distributed generation systems.

(12) Sixty million dollars ($60,000,000) to achieve a 16.8 megawatt peak electricity demand reduction through the provision of incentives for new and emerging distributed generation

technologies such as microturbines and fuel cells, as well as higher incentives for renewable and clean technologies (PVs, wind) and incentives for cogeneration, by paying up to a maximum of 50 percent of installed cost of renewable systems or 30 percent of nonrenewable systems.

(13) Eighty million dollars ($80,000,000) to achieve a 11.2 megawatt peak electricity demand reduction through acceleration of self-generation for state and municipal buildings through expansion of existing programs to add capacity by installing environmentally friendly self generation systems for state and municipal buildings.

(14) Twenty five million dollars ($25,000,000) to achieve a 83.3 megawatt peak electricity demand reduction through the provision of incentives to builders to sell high performance homes that exceed building efficiency standards by at least 30 percent.

(15) Thirty million dollars ($30,000,000) to achieve a 100 megawatt peak electricity demand reduction through augmentation of existing CEC initiatives to include installation of demand responsive technologies, as well as energy efficient retrofits or municipal buildings.

(16) Fifteen million dollars ($15,000,000) to achieve a 37.5 megawatt peak electricity demand reduction through encouraging the manufacture of more efficient mobile housing stock.

(17) Thirty million ($30,000,000) to achieve a 100 megawatt peak electricity demand reduction through offering energy efficient design assistance at the point of permitting for construction and remodeling.

(18) Sixty million dollars ($60,000,000) to achieve a six megawatt peak electricity demand reduction through augmentation of weatherization programs for low-income utility customers.

(19) Sixty million ($60,000,000) to extend the CARE discount to consumers whose income is below 200 percent of the federal poverty line and to increase the discount from 15 percent to 25 percent of the utility bill.

(c) This section shall remain in effect only until January 1, 2005, and as of that date is repealed unless a later enacted statute, that is enacted before January 1, 2005, deletes or extends that date. Any funds appropriated pursuant to this section which are

unencumbered or unexpended by January 1, 2005, shall revert to the General Fund on that date.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Due to the shortage of electric generation capacity to meet the needs of the people of this state and in order to limit further impacts of this shortage on the public health, safety, and welfare, it is necessary that this act take effect immediately.

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